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COURT OF APPEAL, FOURTH APPELLATE DISTRICT

DIVISION ONE

STATE OF CALIFORNIA

JUSTIN JIANG,

Plaintiff and Appellant,

v.

BEIJING SIHITECH CO., LTD. et al.,

Defendants and Respondents.

D053740

(Super. Ct. No. 37-2007-00073543-
CU-BC-CTL)

APPEAL from an order of the Superior Court of San Diego County, Jay Bloom,
Judge. Affirmed.

I.

INTRODUCTION

Justin Jiang filed this action against Beijing Sihitech Co., Ltd. (Sihitech), China Unistone Acquisition Corporation (CUAQ), and CUAQ's chairman, Chih T. Cheung. The trial court granted CUAQ's motion to quash service of the summons on the ground that CUAQ no longer existed as a corporation, having merged with Yucheng Technologies Limited (Yucheng). Jiang amended his complaint to name Yucheng as the

successor in interest to CUAQ.¹ Thereafter, Sihitech, Cheung, and Yucheng (collectively respondents) moved to quash service of the summonses on the ground that the trial court lacked personal jurisdiction over them.² The trial court granted the motions to quash.

On appeal, Jiang claims that the trial court erred in granting respondents' motions to quash. We affirm the trial court's order.

II.

FACTUAL AND PROCEDURAL BACKGROUND

In August 2007, Jiang filed this action against Sihitech, CUAQ, and Cheung. In his complaint, Jiang alleged five causes of action: breach of contract as to Sihitech, breach of contract as to CUAQ and Cheung, specific performance as to CUAQ and Cheung, constructive trust as to CUAQ, and fraud as to CUAQ and Cheung.

In his complaint, Jiang stated that he is a resident of China, doing business as Beijing NarrowTown Investment Consulting. Jiang claimed that Sihitech had orally agreed that if Jiang were to introduce Sihitech to an American company that subsequently acquired it, Sihitech would pay Jiang a four percent commission of the total acquisition price. Jiang further claimed that he introduced CUAQ, a Delaware corporation, to

¹ It is not clear from the record whether the trial court entered an order permitting Jiang to add Yucheng as a party to the case. However, the trial court implicitly recognized Yucheng's status as a party by granting Yucheng's motion to quash. Accordingly, we assume for purposes of this decision — as the parties have — that Yucheng is a proper party to this action.

² Sihitech and Cheung filed a joint motion to quash. Yucheng filed a separate motion to quash.

Sihitech, and that CUAQ subsequently acquired Sihitech. Jiang alleged that Sihitech failed to pay him the promised commission.

In his complaint, Jiang also claimed that in September 2004, Cheung entered into an oral agreement in California with Jiang's agent, David Chen. Jiang claimed that, "Mr. Chen, on behalf of [Jiang], and Mr. Cheung, individually and on behalf of CUAQ . . . agreed that in the event that the efforts by [Jiang] and his agents, including Mr. Chen, led to an acquisition of a company by CUAQ, a finder's fee would be paid to [Jiang], and that CUAQ would further protect [Jiang] and his agents, including Mr. Chen, by guaranteeing that the seller paid the appropriate finder's fee to plaintiff out of the sales proceeds." Jiang further claimed that, while in California, Chen informed Cheung that Sihitech was a possible acquisition target for CUAQ and that Chen provided Cheung with a financial summary of Sihitech.

Jiang further alleged that in November 2004, Chen introduced Cheung's associate to Sihitech representatives in China and that in December 2004, Chen, Cheung, and CUAQ's chief executive officer met with Sihitech representatives in China. Jiang also asserted that in November 2006 CUAQ acquired Sihitech. Jiang claimed that CUAQ was "obligated to withhold from Sihitech and its shareholders four percent (4%) of the acquisition proceeds and to pay [Jiang]. . . ." In a breach of contract cause of action, Jiang claimed that "CUAQ and Cheung breached their oral agreement with [Jiang] by failing to pay to [Jiang] from the acquisition proceeds" Jiang also sought specific performance of his oral contract with Cheung and CUAQ and imposition of a constructive trust on a portion of the proceeds related to the Sihitech acquisition

sufficient to compensate Jiang for amounts he claimed were due to him under his contract with Sihitech.³ Finally, Jiang alleged a fraud claim against Cheung and CUAQ based upon the allegation that Cheung and CUAQ "had no intention to compensate [Jiang] and Mr. Chen for introducing Sihitech or any other potential acquisition to CUAQ"

In November 2007, CUAQ filed a motion to quash service of the summons for lack of proper service on the ground that CUAQ no longer existed, having merged in November 2006 with Yucheng. In the alternative, CUAQ moved to quash service of the summons on the ground that the trial court lacked personal jurisdiction over CUAQ.

Jiang filed an opposition to the motion to quash, and CUAQ filed a reply. On February 22, 2008, the trial court entered an order granting CUAQ's motion to quash service of the summons. The trial court ruled that service on CUAQ was not proper, given its merger with Yucheng. In its order, the court stated, "because [Jiang] has not shown service is proper, the court does not reach the issue of personal jurisdiction." That same day, Jiang amended its complaint to add Yucheng as a successor in interest to CUAQ.

³ In his complaint, Jiang claimed that CUAQ was holding \$150,000 in reserve related to its purchase of Sihitech as security for claims made by third parties against Sihitech. Jiang requested that the court impose a constructive trust over these funds.

In March 2008, Sihitech and Cheung filed a joint motion to quash service of the summonses on the ground that the trial court lacked personal jurisdiction over them.⁴ Sihitech and Cheung argued that they were not residents of California and that they did not have sufficient contacts with this state to allow the court to exercise general jurisdiction over them. Sihitech and Cheung supported their motion with a declaration from Cheung. In his declaration, Cheung stated that he is currently chairman of the board of directors of Yucheng and that, in September 2004, he was chairman of CUAQ. Cheung stated that Yucheng and CUAQ merged, that Yucheng is the surviving company of the merger, and that, in November 2006, Yucheng acquired Sihitech. Cheung acknowledged having met with Chen in September 2004 in California while Cheung was attending a conference in San Diego. However, Cheung denied ever "having entered into any oral agreement in California, individually or on behalf of CUAQ, regarding payment of any commission to Jiang."

Cheung stated that he was a resident of China, and that he had not conducted any business in California since 2002. Cheung also stated that he did not maintain any offices or places of business, have any employees, or own any real or personal property, in California. In addition, Cheung stated that he is not required to pay taxes in California and that he did not have a registered agent for service of process in this state. Cheung stated that Sihitech had never conducted any business in California, nor had it ever been

⁴ Although not material to this appeal, Sihitech and Cheung also requested that the trial court quash service of the summonses on the ground that they had not been properly served, and also requested that the court dismiss the case on the ground of forum non conveniens.

qualified to do so. Further, Cheung stated that Sihitech had never maintained any offices or places of business, had any employees, or owned any real or personal property in California. In addition, Cheung stated that Sihitech had never paid any taxes in California or had a registered agent for service of process in this state.

In April 2008, Yucheng filed a motion to quash service of the summons on the ground that the trial court lacked personal jurisdiction over it.⁵ Yucheng supported its motion with an additional declaration from Cheung. In his declaration, Cheung stated that Yucheng had never conducted any business in California, nor had it ever been qualified to do so. Cheung further stated that Yucheng had never maintained any offices or places of business, had any employees, or owned any real or personal property, in California. In addition, Cheung stated that Yucheng had never paid any taxes in California and that it did not have a registered agent for service of process in this state.

Jiang filed an opposition to Sihitech and Cheung's motion to quash in which he claimed that the trial court had personal jurisdiction over both defendants. As to Cheung, Jiang claimed that federal records demonstrated that Cheung made a presidential campaign contribution in May 2007 from a California residence.⁶ Jiang also claimed that the trial court had personal jurisdiction over Cheung based on his actions in California in

⁵ Yucheng also requested that the trial court quash service of the summons on the ground that it had not been properly served, and requested that the court dismiss the case on the ground of forum non conveniens.

⁶ Jiang requested that the trial court take judicial notice of one of the presidential candidate's Federal Election Commission filings showing receipt of the contribution. The trial court granted the request.

September 2004, which Jiang alleged included forming an oral contract with Jiang and receiving information regarding Sihitech from Chen. Jiang supported his claims regarding Cheung's September 2004 actions by referring to Chen's declaration, which Jiang first offered in opposition to CUAQ's motion to quash. In the declaration, Chen stated that he had entered into an oral agreement with Cheung in September 2004 in California "wherein it was agreed that in the event that Mr. Jiang and I found an acquisition target for CUAQ, which would then ultimately be acquired by CUAQ, a finder's fee would be paid to [Jiang]." Chen further stated that he performed pursuant to this agreement by showing Cheung a copy of Sihitech's financial summary while Chen and Cheung were in California. With respect to Sihitech, Jiang argued, "By retaining [Jiang] to find an American company [that] would acquire it, Sihitech was well aware that plaintiff would contact U.S. companies, including companies in California."

In May 2008, Cheung and Sihitech filed a reply memorandum, in which they reiterated their argument that the trial court lacked personal jurisdiction over both defendants. They offered an additional declaration from Cheung in which he stated that in 2002, he had sold the California residence that was listed on the presidential campaign filing. Cheung and Sihitech also lodged a copy of a grant deed reflecting Cheung's sale of the residence. In addition, Cheung and Sihitech filed a declaration from Sihitech's vice president attesting to the same facts regarding Sihitech's lack of California contacts as were outlined in Cheung's April 2008 declaration.

Jiang filed an opposition to Yucheng's motion to quash in which he argued that the trial court had jurisdiction over Yucheng based on the acts of its corporate predecessor,

CUAQ, and CUAQ's agent, Cheung, in contracting with Jiang. In addition, Jiang claimed that the trial court had jurisdiction over Yucheng based on Yucheng's actions in conducting various quarterly meetings with investors in California. Jiang supported the latter contention by lodging Cheung's responses to Jiang's interrogatory requests seeking information pertaining to CUAQ's activities in California. Jiang also filed his own declaration in which he stated:

"In or about September 2004, I formed an oral agreement with [Sihitech], and specifically Changqing He, Vice-President of Sihitech, wherein Sihitech agreed to pay me a commission of four percent (4%) if I introduced Sihitech to an American company that would acquire Sihitech. During this conversation, I made clear that much of my work might have to be performed in the United States, as that is where the potential buyer would be found given Sihitech's desire to be purchased by an American company."

In May 2008, the trial court continued the hearing on Sihitech and Cheung's motion to quash in order to allow Jiang to conduct additional discovery related to the personal jurisdictional issues in the case. After the completion of this discovery, Jiang filed a supplemental opposition to the motion, in which he argued that the trial court had personal jurisdiction over Sihitech, Cheung, and Yucheng. Jiang noted that the evidence demonstrated that Cheung is a citizen of the United States, who holds a California driver's license that was renewed in 2008, and that Cheung had made numerous visits to California between 1998 and 2006. Jiang claimed that this evidence demonstrated that Cheung was a resident of California. In addition, Jiang noted that CUAQ/Yucheng had held various meetings since 2005 with investors or potential investors in California, and

that the companies had reimbursed Cheung in amounts totaling up to \$10,000, on a yearly basis between 2004-2008, for expenses related to California.⁷

Respondents filed a joint reply brief in which they argued that none of the evidence of any of their contacts with California demonstrated that the trial court had personal jurisdiction over any of them.

On August 15, 2008, the trial court held a hearing on the respondents' motions to quash. On August 22, the trial court entered an order granting respondents' motions. In its order, the trial court ruled that it lacked personal jurisdiction over Sihitech, Cheung, and Yucheng. Jiang timely appeals the August 22 order.

III.

DISCUSSION

*The trial court lacked personal jurisdiction over the respondents*⁸

Jiang claims the trial court erred in concluding that it lacked personal jurisdiction over Sihitech, Cheung, and Yucheng.

A. *Burdens of proof and standards of review*

"When a defendant moves to quash service of process on jurisdictional grounds, the plaintiff has the initial burden of demonstrating facts justifying the exercise of jurisdiction. [Citation.] Once facts showing minimum contacts with the forum state are

⁷ Jiang lodged various of the defendants' discovery responses to support these contentions.

⁸ In light of our conclusion, we need not consider respondents' argument that we may affirm the trial court's order on the alternative ground that the case should be dismissed based on the doctrine of forum non conveniens.

established, however, it becomes the defendant's burden to demonstrate that the exercise of jurisdiction would be unreasonable. [Citation.] When there is conflicting evidence, the trial court's factual determinations are not disturbed on appeal if supported by substantial evidence. [Citation.] When no conflict in the evidence exists, however, the question of jurisdiction is purely one of law and the reviewing court engages in an independent review of the record. [Citations.]" (*Vons Companies, Inc. v. Seabest Foods, Inc.* (1996) 14 Cal.4th 434, 449 (*Vons*).)

B. *General principles of personal jurisdiction*

1. *Personal jurisdiction*

"California's courts may exercise personal jurisdiction over a nonresident defendant on any basis not inconsistent with the constitutions of this state or the United States. [Citations.] Personal jurisdiction over a nonresident defendant served with process outside the state satisfies constitutional due process requirements if the defendant has such minimum contacts with the state that the assertion of jurisdiction does not violate traditional notions of fair play and substantial justice. [Citations.]" (*Doe v. Roman Catholic Archbishop of Cashel & Emly* (2009) 177 Cal.App.4th 209, 216-217.) Two forms of personal jurisdiction exist, general jurisdiction and specific jurisdiction. (*Id.* at p. 217.)

2. *General jurisdiction*

"A nonresident defendant may be subject to the *general* jurisdiction of the forum if his or her contacts in the forum state are 'substantial . . . continuous and systematic.' [Citations.] In such a case, 'it is not necessary that the specific cause of action alleged be

connected with the defendant's business relationship to the forum.' [Citations.] Such a defendant's contacts with the forum are so wide-ranging that they take the place of physical presence in the forum as a basis for jurisdiction. [Citation.]" (*Vons, supra*, 14 Cal.4th at pp. 445-446.)

"The 'standard for establishing general jurisdiction is 'fairly high,' [citation], and requires that the defendant's contacts be of the sort that approximate physical presence. [Citation]. Factors to be taken into consideration are whether the defendant makes sales, solicits or engages in business in the state, serves the state's markets, designates an agent for service of process, holds a license, or is incorporated there.' [Citation.]" (*Elkman v. National States Ins. Co.* (2009) 173 Cal.App.4th 1305, 1315 (*Elkman*), italics omitted.)

3. *Specific jurisdiction*

"Absent such extensive contacts, a defendant may be subject to specific jurisdiction, meaning jurisdiction in an action arising out of or related to the defendant's contacts with the forum state. [Citations.] Specific jurisdiction depends on the quality and nature of the defendant's forum contacts in relation to the particular cause of action alleged. [Citation.] [¶] A nonresident defendant is subject to specific personal jurisdiction only if (1) the defendant purposefully availed itself of the benefits of conducting activities in the forum state; (2) the controversy arises out of or is related to the defendant's forum contacts; and (3) the exercise of jurisdiction would be fair and reasonable. [Citations.] "These guidelines are not susceptible of mechanical application, and the jurisdictional rules are not clear-cut. Rather, a court must weigh the facts in each case to determine whether the defendant's contacts with the forum state are sufficient.

[Citations.] ' [Citation.]" (*HealthMarkets, Inc. v. Superior Court* (2009) 171 Cal.App.4th 1160, 1167 (*HealthMarkets, Inc.*).)

C. *Application*

1. *Sihitech*

Jiang concedes that the trial court lacked general jurisdiction over Sihitech. Accordingly, we consider only whether the trial court had specific jurisdiction over Sihitech. On appeal, the only evidence that Jiang claims supports the conclusion that the trial court may exercise specific jurisdiction over Sihitech is his own declaration in which Jiang stated that he informed the vice-president of Sihitech that he "might have" to work on Sihitech's behalf in the United States. Jiang argues that this evidence demonstrates that Sihitech purposefully availed itself of the benefits of conducting activities in California. Specifically, Jiang argues that because "[he] specifically advised Sihitech that the work would be performed in the United States, Sihitech had fair warning and knew that its agent ([Jiang]) would be performing services on behalf of Sihitech in California."

We are not persuaded. Evidence that Sihitech knew that Jiang "might" have to work in the *United States* on its behalf is clearly not evidence that Sihitech purposely availed itself of the benefits of conducting activities in *California*. (Cf. *Burger King Corp. v. Rudzewicz* (1985) 471 U.S. 462, 474 (*Burger King*) ["the constitutional touchstone remains whether the defendant purposefully established 'minimum contacts' in the forum *State*," italics added].) In light of Jiang's failure to establish that Sihitech purposefully availed itself of the benefits of conducting activities in California, his claim of specific jurisdiction fails. (See e.g., *Szynalski v. Superior Court* (2009) 172

Cal.App.4th 1, 10 [listing purposeful availment as one of three necessary requirements to establish specific jurisdiction].)

2. *Cheung*

a. *General jurisdiction*

The trial court made the following factual findings related to Jiang's claim that the court could exercise general jurisdiction over Cheung:

"Cheung is a resident of China,⁹ although he is also a U.S. citizen who holds a California [d]river's [l]icense, which he renewed in September 2008. He lived in San Francisco in 1999-2001, moving to China in March 2002. He last paid taxes in California in 2002. In 2002-2003, he made several personal trips to California to visit family and friends and sell his home. He sold his California home in August 2003.

"In September 2004, when the alleged oral contract was formed, he was the chairman of [CUAQ]. In September 2004, he and plaintiff's agent shared a room at the Manchester Grand Hyatt in San Diego. At that time he received a financial summary for Sihitech in San Diego, although this is disputed. In 2004, Cheung made approximately [four] trips to California, including the San Diego trip, a CUAQ 'road show' in San Francisco and a meeting with Staples, Inc. CUAQ and/or Yucheng reimbursed Cheung for expenses incurred in California. [Citations.]

"In 2004-2005, he made several trips to California to visit family and friends. He is the Chairman of the Board of [Yucheng] and since 2005, Yucheng has held quarterly investor meetings in California. In 2005, Cheung attended one of those meetings. In 2007, he made a political contribution for a presidential campaign, listing the California address he sold in 2003. He is not registered to vote in California. [Citation.]"

⁹ In the trial court, Jiang claimed that Cheung was a California resident. The trial court found that Cheung is a resident of China, and Jiang does not challenge that finding on appeal. Accordingly, we restrict our analysis to Jiang's claims that the trial court had personal jurisdiction over Cheung, notwithstanding that he is not a California resident.

On appeal, Jiang does not challenge any of these factual findings, nor does he claim that there is any additional evidence in the record pertaining to Cheung's contacts with California that demonstrate that the trial court had general personal jurisdiction over Cheung. Rather, Jiang contends that evidence that Cheung is a United States citizen, maintains a California driver's license, made a 2007 presidential contribution from a California address, and made numerous visits to California, establishes that the trial court had general jurisdiction over Cheung. We disagree.

Evidence that Cheung is a *United States* citizen clearly does not establish that Cheung's "contacts with the *forum state* [California] are sufficient," to establish general jurisdiction. (*HealthMarkets, Inc., supra*, 171 Cal.App.4th at p. 1167.) Further, evidence that Cheung possesses a California driver's license and has made several trips to California over the past several years, while demonstrating that he has some connection to California, is not sufficient to convey general jurisdiction over him. (See *Cornelison v. Chaney* (1976) 16 Cal.3d 143, 147-149 [evidence that nonresident defendant trucker had a state license issued by the Public Utilities Commission and made 20 trips a year into California over a period of seven years insufficient to convey general jurisdiction over defendant].) Finally, evidence that, in 2007, Cheung made a contribution to a political candidate and that the candidate stated in a federal filing that Cheung's mailing address was a California address, does not establish that the trial court had general jurisdiction

over Cheung, particularly since Cheung presented evidence that he had sold the residence located at the mailing address in the filing in 2003.¹⁰

In sum, none of the evidence of Cheung's contacts with California, whether considered separately or cumulatively, supports the conclusion that the trial court had general jurisdiction over him. Accordingly, the trial court did not err in concluding that it lacked general jurisdiction over Cheung.

b. *Specific jurisdiction*

Jiang claims that the trial court had specific jurisdiction over Cheung because Jiang presented evidence that Jiang's agent, Chen, and Cheung, entered into a contract in California and that Chen performed on the contract in California by providing Cheung with the financial summary of Sihitech. Even assuming that these events occurred as Jiang maintains, the trial court did not err in concluding that it lacked specific jurisdiction over Cheung.

In *Burger King, supra*, 471 U.S. at page 478, in discussing the application of the purposeful availment prong to specific jurisdiction in breach of contract actions, the United States Supreme Court stated that it had long ago rejected the notion that "an individual's contract with an out-of-state party *alone* can automatically establish

¹⁰ There is no evidence that Cheung's driver's license contains a California address. Further, as noted above, the trial court specifically found that Cheung is a resident of China. In addition, Jiang has not argued that a nonresident of California is legally prohibited from obtaining a California driver's license.

sufficient minimum contacts in the other party's home forum."¹¹ Rather than focus on "theories of the place of contracting or of performance," the *Burger King* court emphasized the need for a "'highly realistic' approach that recognizes that a 'contract' is 'ordinarily but an intermediate step serving to tie up prior business negotiations with future consequences which themselves are the real object of the business transaction.' [Citation.]" (*Id.* at pp. 478-479; accord *Stone v. State of Tex.* (1999) 76 Cal.App.4th 1043, 1048 ["the place of contracting is not dispositive," to the question of personal jurisdiction]; *Dunne v. State of Florida* (1992) 6 Cal.App.4th 1340, 1345 ["the place where a contract is executed is of far less importance than where the consequences of performing that contract come to be felt"].) Thus, in considering whether a contract can constitute a sufficient minimum contact for purposes of personal jurisdiction, the *Burger King* court instructed courts to consider factors such as "prior negotiations and contemplated future consequences, along with the terms of the contract and the parties' actual course of dealing" (*Burger King, supra*, 471 U.S. at p. 479.)

In this case, consideration of the factors outlined by the *Burger King* court leaves little doubt that the trial court lacked specific jurisdiction over Cheung. Most importantly, the future consequences of any alleged contract were to be felt in China. Both Jiang and Cheung are Chinese residents, and the principal place of business of both Yucheng and Sihitech is China. Further, there is no evidence that Jiang's introduction to

¹¹ *Burger King* involved a plaintiff incorporated in Florida and with its principal place of business in Florida suing a Michigan resident in Florida. (*Burger King, supra*, 471 U.S. at p. 464.) In this case, the plaintiff is not a resident of the home forum, but rather, is a resident of China.

CUAQ for the purpose of acquisition, the completion of the acquisition, or the payment of a commission, were to take place in California. In addition, there is no evidence that any of the parties had any pre-contract negotiations in California or engaged in any course of dealing in this state. Even assuming that part of Jiang's performance under the alleged contract occurred in California, Jiang acknowledged having performed additional acts in China, such as introducing Sihitech representatives to Cheung. Further, there is no evidence that Cheung, CUAQ, or Yucheng was required to perform any action in California under the alleged contract.

Safe-Lab, Inc. v. Weinberger (1987) 193 Cal.App.3d 1050, on which Jiang relies, is clearly distinguishable. In *Safe-Lab*, this court concluded that California courts had specific jurisdiction over a Nevada defendant, Weinberger, who entered into a contract to serve as a marketing representative for a California corporation. The contract was negotiated in California, was to be governed by California law, and required that Weinberger come to California on a monthly basis to provide reports to the corporation. (*Id.* at p. 1054.) In addition, approximately five percent of Weinberger's marketing efforts were directed at California markets. (*Id.* at p. 1053.) Weinberger's contacts with California were materially different from Cheung's.

Nor is Jiang able to demonstrate personal jurisdiction over Cheung based on the fraud claim in his complaint. Assuming that Jiang preserved this argument,¹² there is no evidence in the record to demonstrate that any of Cheung's purportedly fraudulent

¹² Respondents contend that Jiang forfeited this contention by failing to adequately raise it in the trial court.

conduct had any greater contact with California than that rejected above with respect to Jiang's contract claim. (See e.g., *In re Automobile Antitrust Cases I and II* (2005) 135 Cal.App.4th 100, 122 ["In order for California courts to properly exercise our specific jurisdiction, this state must have been the focal point of the tort and the brunt of the harm must have been felt here"]; *Jewish Defense Organization, Inc. v. Superior Court* (1999) 72 Cal.App.4th 1045, 1057 ["personal jurisdiction can be based upon: "(1) intentional actions (2) expressly aimed at the forum state (3) causing harm, the brunt of which is suffered — and which the defendant knows is likely to be suffered — in the forum state." ' [Citation.]").)

In sum, we agree with the trial court's observation that "[t]he September 2004 meeting and alleged oral contract involved Chinese residents who happened to be in San Diego at a convention and allegedly discussed matters that would be performed in China and have an effect there." (See *Burger King Corp., supra*, 471 U.S. at p. 475 [the "'purposeful availment' requirement ensures that a defendant will not be haled into a jurisdiction solely as a result of 'random,' 'fortuitous,' or 'attenuated' contacts"].) We conclude that the trial court did not err in concluding that it lacked specific jurisdiction over Cheung.

3. *Yucheng*

a. *General jurisdiction*

The trial court found that Yucheng is a company formed under the laws of the British Virgin Islands, and that its principal place of business is Beijing, China. The

court also found that Yucheng has never conducted business in California. Jiang does not challenge these factual findings on appeal.

The record also contains undisputed evidence that Yucheng has never maintained any office or place of business in California, never had any employees in this state, and never owned real or personal property here. In addition, Yucheng has never paid taxes in California, and has never been qualified to do business in this state. (See *Elkman, supra*, 173 Cal.App.4th at p. 1315 [listing factors to consider in determining whether court has general jurisdiction over defendant].)

On appeal, Jiang notes that he presented evidence that representatives of Yucheng and/or its predecessor, CUAQ, conducted the following activities related to California:

(1) held meetings with investors in California on a quarterly basis since 2005; (2) attended a few "Roth investor conferences" in California to provide information regarding Yucheng to such investors; (3) conducted a one-hour meeting in California in 2004 to provide potential investors with information regarding Yucheng; and (4) reimbursed Cheung up to \$10,000 for expenses related to travel to California on a yearly basis between 2004-2008.

With respect to the investor meetings, Yucheng presented uncontradicted evidence that the occasional meetings were informational in nature and that no actual business transactions took place at any of the meetings. (Cf. *Kloth v. Southern Christian University* (D.Del. 2007) 494 F.Supp.2d 273, 281, *affd.* (3d Cir. Aug. 5, 2008, Nos. 07-3376, 07-4598) 2008 WL 3165902 [party's website that was primarily informational in nature was insufficient to establish general jurisdiction].) With respect to the

reimbursements to Cheung, the amounts are clearly de minimus, particularly in light of the undisputed evidence that Yucheng's operating expenditures in 2007 alone exceeded thirty million dollars. The reimbursements are wholly insufficient to establish general jurisdiction over Yucheng. (See, e.g., *Accu-Sport Intern., Inc. v. Swing Dynamics, Inc.* (M.D.N.C. 2005) 367 F.Supp.2d 923, 928 [sale to buyer in forum state totaling 1.3 percent of defendant's annual sales was de minimus and insufficient to convey general jurisdiction over defendant].)

Yucheng presented compelling evidence that it lacks a significant connection to California. Jiang did not demonstrate that Yucheng has "'substantial . . . continuous and systematic'" contacts with California that are "so wide-ranging that they take the place of physical presence in the forum as a basis for jurisdiction." (*Vons, supra*, 14 Cal.4th at p. 446.) Accordingly, the trial court did not err in concluding that it lacked general jurisdiction over Yucheng.

b. *Specific jurisdiction*

Jiang contends that Yucheng is subject to the specific jurisdiction of the trial court based on its status as the successor in interest to CUAQ and the actions of CUAQ's chairman, Cheung, in entering into an oral contract with Jiang's agent in California September 2004. We concluded in part III.C.2.b., *ante*, that the circumstances surrounding the September 2004 transaction are not sufficient to subject Cheung to the specific jurisdiction of a California court. Since Jiang's claim of specific jurisdiction as

to Yucheng is based entirely on those same circumstances, we also conclude that the trial court lacked specific jurisdiction over Yucheng.¹³

IV.

DISPOSITION

The August 22, 2008 order is affirmed. Jiang is to bear costs on appeal.

AARON, J.

WE CONCUR:

HUFFMAN, Acting P. J.

McDONALD, J.

¹³ The trial court rejected Jiang's claim that it could exert specific jurisdiction over Yucheng based on the acts of CUAQ on the ground that it had "already ruled . . . that there was no jurisdiction over CUAQ." However, as the respondents properly concede, the record indicates that the trial court had not in fact made such a ruling. Nevertheless, we must affirm a ruling that is correct in the result, even if the ruling is flawed in its reasoning. (See *Cohen v. Equitable Life Assurance Society* (1987) 196 Cal.App.3d 669, 673 ["it is well settled a reviewing court will affirm the trial court's order if it is correct, regardless of the theory on which it is based."].)